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The all-encompassing "Defense Report on President Nixon's Strategy for Peace," delivered to the House Armed Services Committee March 9 by Defense Secretary Melvin R. Laird, emphasizes that management improvements will continue to be made in the Defense Department. His recommendations include the creation of an additional Deputy Secretary of Defense in order to enhance high-level civilian management and to cope with the severe demands now placed upon the single Deputy Secretary of Defense (Mr. David Packard). He also recommends the creation of two additional positions for Assistant Secretary of Defense, as well as a modification of the Unified Command Structure "which we are recommending to the President."

President Nixon, escorted by Secretary Laird, waves to crowd during his most recent visit to the Pentagon.

Manpower, Budget Show Reductions In Secretary Laird's Annual Report

The following is a summary of highlights on Defense Department Manpower Objectives and the Fiscal Year 1972 Budget made by Secretary of Defense Melvin R. Laird in his report to the House Armed Service Committee—"Toward a National Security Strategy of Realistic Deterrence."

"Of all the challenges facing the Department of Defense," Secretary Laird stresses, "none is more important than modernizing manpower policies. Nothing can have higher priority than our people—military and civilian—and their families."

Three important changes in manpower policy, already underway, are among the major current objectives:

—Improvement of military life in accordance with the 1969 Defense Department statement of our Human Goals.

—Reduction of draft calls to zero by July 1, 1973, as we move toward an All-Volunteer Force.

—Completion of the transition to peacetime manpower levels from the high peaks of the past with minimum personal hardship.

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Manpower Reductions

Major reductions in military manpower—more than three quarters of a million men and women during the past three fiscal years—must be offset by improvements in the quality of our smaller forces. "This is precisely what we intend to do, with the help of Congress and the American people," he said.

"In the belief that we gain nothing by failing to face realities in our planning," there are some major assumptions to be summarized about the future on which estimates of the nature, size, and structure of the military establishment are based:

—Congress will extend the current draft authority which expires June 30, 1971 and will support programs to modernize military manpower and to enhance the attractiveness of a military career.

(Continued On Page Two)

Annual Report

(Continued From Page One)

—The National Guard and Reserve will take on increasing responsibilities and will be used initially to augment active forces should the need arise, reversing the past policy of relying primarily on the draft.

—The Vietnamization program, the first step in implementing these new concepts, will be completed successfully.

—Our friends and allies will assume a greater share of the responsibility for international security in conformity with President Nixon's policy of partnership.

—The United States will provide assistance to some of these nations in order to help them assume increased responsibility for their defense.

—There will be no major armed conflict or greatly increased unforeseen threat affecting the vital interests of our country during the five-year-period.

Turbulence

Cutbacks in personnel inevitably involve some painful turbulence. Manpower reductions in Fiscal Year 1970 and 1971 have created hardships on many thousands of dedicated people—both military and civilian. DoD will do everything it can to minimize personal hardships as the transition from wartime to peacetime conditions is completed.

July 1, 1973 has been set as the target date for reaching Zero Draft calls. The transition to Zero Draft calls will not be easy, nor can it be instantaneous.

The most serious obstacle to achieving Zero Draft is pay. Military pay is much too low, and is scandalously low for men in the entering enlisted grades with less than two years' service.

Two additional issues that bear upon the problem of voluntary accessions are the quality of military life and the need to strengthen the stature and dignity of military service.

There is no doubt that further elimination of "make-work" and modification of unnecessary rules and restrictions will enhance the attractiveness of service life," Secretary Laird emphasized . . . There is a specific program that would refurbish barracks, partition them into two- or four-man cubicles, and provide such furnishings as desks, chairs, lamps and rugs.

An Obstacle

The abusive defamation of the military that circulates in many quarters of our society is increasingly an obstacle to recruitment and retention of personnel by the Armed Forces. If the military profession is not accorded the respect it deserves, no amount of money, no improvement in the conditions of service life, no recruitment campaign, will attract enough qualified volunteers to maintain an adequate military force.

The problem of maintaining the strength of the National Guard and the Reserves will grow during the transition period to an All-Volunteer Force. Except for medical personnel, present Guard and Reserve officer strength is adequate. Enlisted force levels, however, will be harder to maintain as the drawing power of the draft declines, and the draft will have little impact to stimulate enlistments of 17 and 18 year olds.

Another problem facing us in the All-Volunteer Force transition is the potential difficulty in obtaining officers in the quantity and quality needed.

There are a number of programs being recommended that will help alleviate, but not eliminate, the problem of officer accessions. We are asking for an increase of ROTC subsistence allowance from $50 to $100 per month. Also proposed is to increase the number of ROTC scholarships and, additionally, that up to 50 per cent of the scholarships be used in the two-year program at the discretion of the Military Departments.

Until actual experience gives good reason to believe that there is devised a program which will attract an adequate number of volunteers to the Armed Forces, we dare not dispense with the draft.

Asked Congress

The President has asked Congress to extend induction under Selective Service to July 1, 1973. This is an absolute necessity.

In the matter of achieving our "Human Goals" program, the military housing program is a case in point. A continuing program of building military family housing is vital for morale, career motivation, and retention of trained military personnel. Substantially increased is the number of family housing units on military bases.

In addition to the on-base military family housing construction program, progress is being made in seeking community housing for military families in low income housing projects under subsidy from FHA.

Changes are being introduced in Service life to eliminate unnecessary demeaning, irritating and onerous practices. Because of the importance of broadened opportunities for self-development and advancement, the Armed Forces will continue to improve their educational program. Several studies have shown that educational opportunities can be a major incentive for enlistment and retention of service personnel.

The Department of Defense is committed to the goal of making military and civilian service in the Department a model of equal opportunity for all, regardless of race, creed or national origin. Effort is being made to increase the participation of minority groups in the officer corps. DoD has also made progress in insuring that 53,000 contractor establishments are equal opportunity employers.

Job Assistance

Projects Transition and Referral are both on-going programs designed to ease the serviceman's transition to a civilian career. Transition provides vocational counseling, job training and job referral assistance just prior to separation from the Service; special emphasis has been put on providing manpower for critically important national needs—law enforcement, construction trades, postal work, water pollution control, and the like.

The Referral program, for retiring military personnel, provides for counseling and voluntary registration into a computerized man-job matching system which employers may submit job requirements.

During the past year, two new programs—MAST and MEDIHC—were initiated. MAST (Military Assistance to

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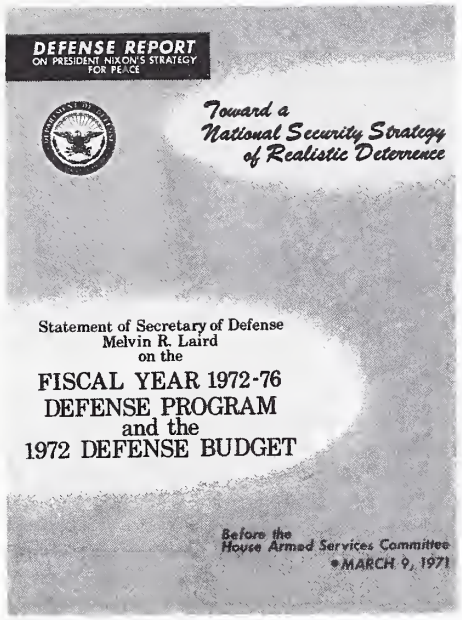

Defense Posture Statement Stresses Organization And Management

In a 191-page statement to the Congress on the posture of the Department of Defense as it is today, Secretary of Defense Melvin R. Laird reviewed organization and management within the Department as he sees it and practices it. The information was contained in the Defense Report on President Nixon's Strategy for Peace, dated March 9, 1971.

The Defense Department's effort in organization and management is centered upon three major areas:

—The general approach to organization and management; including continuing actions to improve the overall effectiveness of the Department.

—Improvements in the management of military operations.

—Improvements in the process for developing and acquiring new weapons systems (see related photo on page 7).

Secretary Laird's approach is not new. A year ago he said he had adopted a concept of management based on participatory decision-making, defined decentralization and delegation of authority under specific guidance.

The aim "is to improve both the decision-making process and also other management activities by placing more emphasis on people and less emphasis on elaborate procedures," he said.

His philosophy goes like this: When the people who will be responsible for implementing a decision have the opportunity to participate in making it, the decision is likely to be better, and the people in the organization will probably have a greater incentive for successful implementation.

Key Facet

A key facet to the Defense Department's concept of management is emphasis on individual responsibility and action.

As Mr. Laird said: "We know that one way to improve management is to improve motivation and morale—and thereby performance—of the people in the Department."

He pointed to the promulgation of the "Human Goals" in 1969 as evidence of the Defense Department's concern for the people of the Department.

Human Goals ideals have been responsible for equal opportunity actions receiving a high priority in the Department. In addition, each of the Services is doing a number of things designed to make a military career more attractive for young people in the future than it has in the past, he said.

In the field of participatory management — or decentralization — Secretary Laird was explicit. "We firmly believe," he said, "that management will be improved by selective decentralization.

Larger Role

"An essential part of this process is to give the Military Departments a larger

(Continued On Page Four)

Defense Outlays in Current and Constant (FY 1972) Prices

	FY 1964	FY 1968	FY 1971	FY 1972
Current dollars:				
Payroll	$15.7	$23.4	$28.4	$28.2
Other military personnel costs	4.6	6.8	6.1	5.6
Military retired pay	1.2	2.1	3.4	3.8
Family Housing, excluding pay	.5	.4	.5	.6
Volunteer	-	-	-	1.4
Total, pay and related	22.0	32.6	38.4	39.6
All other costs (procurement, R&D, construction, supplies & services)	28.8	45.4	36.1	36.4
Total outlays, current dollars	50.8	78.0	74.5	76.0
Constant (FY 1972) Prices:				
Payroll	27.4	33.5	30.2	28.2
Other military personnel costs	5.8	7.9	6.3	5.6
Military retired pay	3.8	3.8	3.8	3.8
Family Housing, excluding pay	.6	.5	.5	.6
Volunteer	1.4	1.4	1.4	1.4
Total, pay and related	39.0	47.0	42.2	39.6
All other costs (procurement, R&D construction, supplies & services	36.8	52.9	37.4	36.4
Total outlays, constant (FY 1972)	$75.8	$99.9	$79.6	$76.0

(Continued From Page Three)

role in making the decisions that affect them. We have already moved in that direction and continue to allow and to encourage the Services to make their own decisions whenever appropriate."

There were some decisions, he said, that the Military Departments find difficult or impossible to make.

Explaining, Mr. Laird said, understandably there is continual competition among the Services and while it generates a high level of motivation and performance, this competitive attitude makes it virtually impossible for the Services themselves to make basic decisions on the allocation of resources and responsibility between and among themselves.

The Joint Chiefs of Staff can and do resolve some of these matters, he continued, but there are clearly a number of areas in which the final decisions can be made only at the Secretary of Defense level.

Decentralization must, then, be limited to giving the Services the responsibility for those things which they are best able to do themselves. He pointed out that not every management decision can be decentralized, and in fact some matters require more centralization than existed in the past.

Complex Matters

"The decisions we face in the Defense Department concern important and complex matters involving large sums of Federal funds," Secretary Laird said, adding: "The essential inputs to effective decision-making on these matters are knowledge, experience, and analysis."

By way of explanation, Secretary Laird related how, in the previous Administration, the decision-making process was centrally controlled, with the Systems Analysis office giving independent support to the Secretary of Defense by identifying issues, providing analyses, and recommending decisions.

But in this Administration, he said, "we have encouraged greater participation by all parties concerned. At the same time, we have sought to identify more precisely the areas of responsibility of the participants.

"This participatory-management approach results in a more effective interplay of experience and analysis, and in a more effective use of the systems analysis office.

Changing Priorities

	FY 1964 to FY 1968	FY 1968 to FY 1972	FY 1964 to FY 1972
Change (current $ billions) in:			
Defense Spending	$+ 27.2	$- 2.0	$+ 25.2
Other Federal Spending	+ 34.8	+ 55.5	+ 90.3
State and Local Spending	+ 36.2	+ 53.7	+ 89.9
Change (constant FY 1972 $ billions) in:			
Defense Spending	$+ 24.1	$- 23.9	$+ .2
Other Federal Spending	+ 31.9	+ 36.4	+ 68.3
State and Local Spending	+ 29.6	+ 29.0	+ 58.6
Public Employment (000)			
Defense (includes military	+1,114	-1,247	- 133
Other Federal	+ 230	+ 149	+ 379
State and Local	+2,229	+1,849	+4,078
Total, Public Employment	+3,573	+ 751	+4,324
Total labor force (000)			
Defense a/	+2,232	-2,508	- 276
All Other	+4,542	+8,951	+13,493
Total Labor Force Change a/	+6,774	+6,443	+13,217

	Defense spending as % of:		
	GNP	Federal Budget	Net public Spending (Federal, State & local
FY 1950 (pre-Korea)	4.5%	27.7%	19.2%
FY 1953 (Korea peak)	13.3%	62.1%	47.6%
FY 1964 (last peacetime year)	8.3%	41.8%	28.8%
FY 1968 (SEA peak)	9.5%	42.5%	29.2%
FY 1970	8.1%	38.4%	25.5%
FY 1971	7.4%	33.9%	22.3%
FY 1972	6.8%	32.1%	20.9%

a/ Includes military personnel, civilians employed in the U.S., and Defense-related employment in U.S. industry.

"Within this framework," he continued, "the role of systems analysis is to stimulate and develop the uses of analytic techniques through the Department and to encourage the development for me of clear analyses of issues and clear delineations of alternative courses of action on them.

Issues Clarified

"In this manner," he said, "the issues and alternatives are clarified, not only by analysis, but also by the judgment and recommendations of the Military Services and of the Joint Chief of Staff."

The Secretary of Defense said steps have been taken to define responsibilities more precisely, and said he believes the step will contribute to better management.

He said this has been done in the Planning-Programming and Budgeting System (PPBS), where the Military Departments have been given more responsibility and, at the same time, provided a clearer definition of Service and OSD responsibilities.

He said the Department had gone through the same process in establishing procedures to be used in the development and acquisition of new weapons.

He noted, however, that there is much more that can be done to improve delegation of authority, particularly in the Military Departments.

"A lack of proper designation of responsibility has, in large part, caused past layering of staff reviews of new weapons programs. We expect further improvements in this important aspect of good management during the coming year," he said.

First Comprehensive 5-Year Plan Is Spelled Out

In his annual report on the Fiscal Year 1972-'76 Defense Program and the 1972 Defense Budget to the House Armed Services Committee, Secretary of Defense Melvin R. Laird stressed that the document included "the first comprehensive Five-Year Defense Program" of the present Administration, and spelled out "a new National Security Strategy of Realistic Deterrence."

In his summary of the 191-page report March 9, Mr. Laird noted that the **Five-Year Defense Program was "keyed to the twin objectives set forth by President Nixon for the last third of the 20th Century: achievement for the first time in this century of a generation of peace; and in the process, enhancement of the quality of life for all Americans, while helping to improve it for all peoples of the world."**

"The new National Security Strategy of Realistic Deterrence," the Secretary added, "is designed to prevent wars by furthering the President's goal of building a viable structure of peace based on adequate strength, true partnership, and meaningful negotiations."

He said the new strategy is realistic for three reasons:

—It is based on a sober and clear view of the multiple threats to peace which exist in today's world. It neither exaggerates nor underestimates those threats.

—It provides for the maintenance of a strong Free World military capability as the essential foundation of deterrence. It rejects the view that peace is well served if our military power is unilaterally weakened.

—It takes account of the strategic, fiscal, manpower and political realities while steering a prudent middle course between two policy extremes —world policeman or new isolationism.

New Program

Mr. Laird straight-forwardly dashed away any doubts about the newness of the program, saying: "The Strategy of Realistic Deterrence is new. Those who would dismiss it as a mere continuation of past policies in new packaging would be quite mistaken. Past policy was responsive and reactive. Our new Strategy is positive and active. Past policy focused on containment and accommodation. The new Strategy emphasizes measured, meaningful involvement and vigorous negotiation from a position of strength.

"The Strategy of Realistic Deterrence will provide," he continued, "through sufficient strength and full partnership the indispensable and realistic basis for effective Free World negotiation. Most importantly, it is designed not to manage crises but to prevent wars."

Noting that the Fiscal Year 1971 program and budget sent to the Congress last year was "the foundation for the transition from an era of confrontation to an era of meaningful negotiation," and touching briefly on the Defense Department's progress toward major interim goals during the past two years, Mr. Laird acknowledged: "We still have a long way to go in all aspects of Defense responsibility. We have never claimed to be instant problem-solvers. But we have completed our year of transition with respect to basic Defense planning both with regard to strategy and management. We have completed our basic reviews and have made our fundamental decisions on what needs to be done. The New Strategy and Defense Program presented in this report embody the major elements of the decisions that have flowed from our assessments of the past two years. The Strategy and the Program, of course, cannot succeed without the understanding and support of Congress and the American people."

Major Points

Mr. Laird then outlined briefly some of the major points in the Defense Report, focusing on two fundamental aspects of Defense Planning: Effective implementation of the Strategy of Realistic Deterrence, and Better Management of Human, Material, and Economic Resources in the Department of Defense, the two areas into which the report is divided.

The Secretary explained that the Five-Year Defense Plan "projects a capability to attain our goal with an efficient and, modernized force that, in peacetime would require no more than seven per cent of the Gross National Product (GNP) and be made up of no more than 2.5 million men and women who are volunteers . . .

"We intend to use a Total Force approach in which all appropriate resources for deterrence, U.S. and Free World, will be available. Through the application of all resources across the full spectrum of possible conflict and the full spectrum of capabilities of our friends and allies, we will maintain sufficient U.S. strength and will mesh this strength with other nations in a new order of partnership.

"For the U.S. forces," he said, "the Total Force concept will mean increased importance for our National Guard and Reserves."

Soviet Threats

Mr. Laird noted that one chapter of the Report provides an update of the threats to the Free World at all levels of conflict, adding that "The continued momentum of the Soviet Union in strategic missiles, aircraft, Naval forces and research and development are evaluated [and] Chinese weapons progress is also discussed.

"This threat assessment," he said, "is related to the need for assuring that the United States maintains its technological leadership in order to assure the safety and survival of the American people. To maintain technological leadership, we must reverse the recent downward trend in research and development funding, which this budget does, and we must also move forward with new technological initiatives to guarantee that we have flexibility and timely options to meet possible threats of the future."

The final chapter of the Strategy of Realistic Deterrence section of the Report, he explained, "provides a discussion of the specific programs being recommended as the 'basic minimum capabilities deemed necessary and appropriate for the years ahead.' We have completed our transition to what we describe as 'base line planning,' and are now building for the future. Of course, much will

(Continued On Page Six)

(Continued From Page Five)

depend on the outcome of the Strategic Arms Limitation Talks (SALT). Because of uncertainty associated with SALT, we must maintain present capabilities, while preserving or creating options to adjust those capabilities upward as may be required."

SALT Talks

Mr. Laird emphasized: "No one hopes more for success at SALT than the Department of Defense because of the burdens and responsibilities we would face should SALT fail," adding that "SAFEGUARD continues to be a vital factor in the SALT negotiations."

The Secretary then summarized the second section of the Defense Report, saying that the chapters therein "focused on the need for better management of human, material and economic resources in the Department of Defense."

(See Story On Page Three)

He said a chapter on Organization and Management focused on a management concept "based on participatory decision-making, defined decentralization, and delegation of authority under specific guidance." The same chapter also contained a proposal for "the creation of an additional Deputy Secretary of Defense in order to enhance high-level civilian management and to cope with the severe time demands now placed upon the single Deputy Secretary of Defense," He said he also recommended "creation of two additional positions for Assistant Secretary of Defense."

Mr. Laird indicated that management improvements would continue to be made in the Defense Department, "including a modification of the Unified Command Structure which we are recommending to the President. We will continue to draw as appropriate on the recommendations of the Blue Ribbon Defense Panel."

Further Changes

He then said that examination into the intelligence activities of the Department of Defense would continue. "Further changes may be anticipated, including the creation of a long-range planning group reporting directly to the Secretary of Defense. We have taken steps also to strengthen civilian control over investigative and related counter-intelligence activities."

Discussing manpower objectives, Mr. Laird mentioned that the program to achieve Zero Draft calls by mid-1973 was of particular importance, together with further improvements of the Selective Service System "which would complement last year's reduced draft calls and National Random Selection System.

(See Story On Page One)

"Many inequities in the draft have been eliminated in the past two years," he said, "but so long as we need the draft it must be made more equitable.

"One gross inequity today," he stressed, "is the fact that the young men who attend college are given deferments which are denied to other young men who do not attend college. This is unfair and should be changed."

The Secretary urged "respect and dignity" for the men and women in uniform serving the Armed Forces of their country, saying: "We owe them and their families fair play in the areas of pay, housing and educational opportunities."

Manpower Problems

He readily admitted that "We face some formidable problems in the manpower area that are not going to be solved overnight. In addition to complex recruiting and retention problems, we share with the rest of American society the agonizing problems related to race relations and drug abuse. We in the Department of Defense are determined to continue leading the way, as best we can, in seeking solutions to these difficult problems."

The final chapter of the second section of the Report, titled "The Defense Budget and the Economy," surveyed Mr. Laird explained, "the impact of cuts in Defense personnel and expenditures over the past two years in response to our changing national priorities," and included an assessment of the impact of those cuts "in employment and expenditures related to national defense," causing, he said, "a considerable amount of turbulence, which results from our shift from a wartime to a peacetime economy.

"This year," he continued, "the rate of Defense reductions is declining and we are going to do everything we can to keep to a minimum this turbulence, as it relates to our civilian employees, Defense industry employees, and our military people and their families . . . The period of Defense dominance in national resource allocation is over. Our Fiscal Year 1972 budget, in constant dollars, will be below the prewar year of Fiscal Year 1964.

"We have not solved," Mr. Laird concluded, "all the hard problems before us nor can I tell you that hard decisions do not lie ahead. As with the Fiscal 1971 transitional budget, there is some risk attached to our FY 1972 Defense Budget for it continues the downward trend in overall Defense Department purchasing power at a time when the threats we face around the world continue to increase, not diminish. Should events dictate, I will not hesitate to recommend any action that may be required to insure the continued safety and security of the American people."

Lending Law Amendments Made

Effective April 5, consumers, including Service members, will have four more areas of protection.

The Board of Governors of the Federal Reserve System has approved four new amendments to its Truth in Lending law.

The new amendments will provide that—

—stores and creditors give customers with active accounts 15 days notice of any change in the terms of their open-end credit account, except that no notice need be given if the minimum payment or finance charges are reduced.

—in the credit sales of vacant lots the seller may substitute the words "property you are purchasing" for "your home" in the notice given to the customer which permits him to rescind his purchase within three days.

—farmers may obtain funds, goods, or services in agricultural credit transactions prior to the expiration of the three-day period in which he may cancel the transaction, but this amendment does not take away from the farmer his right to cancel within the allowed period.

—sellers must abide by special advertising requirements in sales involving FHA Section 235 homes.

Annual Report

(Continued From Page Two)

Safety and Traffic) provides faster medical attention to those who need immediate care. Military helicopters are used to transport victims of highway accidents and others in need of emergency care to hospitals and other medical installations.

The MEDIHC (Military Experience Directed Into Health Careers) program, a joint DoD-HEW effort, is designed to attract medically trained servicemen into critically needed civilian health occupations as they leave military service, some 30,000 each year.

(See Story On Page Eight)

There are two special problem areas in the manpower field in which intensified efforts are needed—drug abuse and race relations. The drug problem has increased and is increasing in our country and likewise has grown and continues to grow in the Armed Forces. The Department of Defense has taken a number of steps designed to cope with this very serious problem, including the development of informational materials on improper drug use and procedures for the prevention of illegal drug traffic, among others.

Despite the progress made in achieving equal opportunity and improving race relations, more must be done. Base commanders have been authorized to declare Off Limits any establishment which discriminates against any member of the Armed Forces.

Defense and the Economy

The proposed FY 1972 Defense Budget has an economic relationship to the new defense strategy of realistic deterrence. DoD can perform essential defense functions with a restructured military force that, in peacetime, requires no more than about seven per cent of GNP, or less, and is made up of no more than about 2.5 million volunteers. Within these rough guidelines, DoD wants to maintain a peacetime "baseline" force structure that with our allies will be sufficient to deter war by confronting potential aggressors with strong and effective fighting forces.

Explosive Impact

Inflation as well as increases in personnel costs have had an explosive impact upon the defense budget and mask the very large program cuts that have occurred. It is, therefore, essential that the defense budget in terms of constant dollars be considered.

Project Managers of the Army, Navy, and Air Force met with Deputy Secretary of Defense David Packard, March 13, at the Pentagon. This was the first in a series of such meetings to keep him closely advised on matters concerning the procurement of major weapons systems.
Front row, left to right, Brigadier General Bernard R. Luczak, U.S. Army Retired (MBT-70/XM803); Major General Douglas T. Nelson, U.S. Air Force (B-1); Secretary Packard; and Captain Lionel F. Ames, U.S. Navy (F-14).
Back row, left to right, Captain Fred H. Baughman, U.S. Navy (S3A); Colonel James C. Miller, Jr., U.S. Army (SAM-D); Lieutenant Colonel Robert W. Huntzinger, U.S. Army (TOW); Brigadier General Benjamin N. Bellis, U.S. Air Force (F-15); Commander Kyle H. Woodbury, U.S. Navy (Condor); and Colonel Kendall Russell, U.S. Air Force (AWACS).

(DEFENSE PHOTO by PHC Thomas J. Mackesy, USN)

Consider these facts:

—From June 1968 to June 1972, DoD is reducing military personnel by 1,042,000 and civilians by 205,000—a total manpower cut of 1,247,000.

—However, during this same period, the payroll, military basic pay and civilian salaries—rises by $4.8 billion.

—In addition, payments to retired military personnel rise by $1.7 billion from FY 1968 to FY 1972, and the FY 1972 spending estimates include $1.4 billion for the All-Volunteer Force.

—All told, these pay items rise by $7.9 billion while decreasing manpower by nearly 1.25 million.

The Defense budget (in constant prices) rose from $75.8 billion in FY 1964 to a peak of $99.9 billion in FY 1968, then is expected to drop to $79.6 billion in FY 1971 and $76 billion in FY 1972—a drop of $23.9 billion, roughly 24 per cent from the wartime peak.

Historic First

Thus, the FY 1972 Budget, in constant dollar terms, is almost equal to the prewar level. This marks an historic first—it is the first time in this century that military spending has returned to the prewar level. In every other war, military spending (measured in constant dollars) has been higher after the war than it was prewar.

The shift in our priorities, away from defense and to civilian pursuits, has been massive. The size and price of this change is not generally appreciated.

The defense budget no longer consumes the large percentages of our government resources that it did in the 1950s. In those years, it could play a key role in financing increases in other segments of the Federal budget—and in the employment and unemployment trends. But as a result of this changed complexion of the Federal budget, the opportunity to use changes in the defense program to finance non-defense program is significantly reduced. Thus, the period of defense dominance in resource allocation is over.

FLARE

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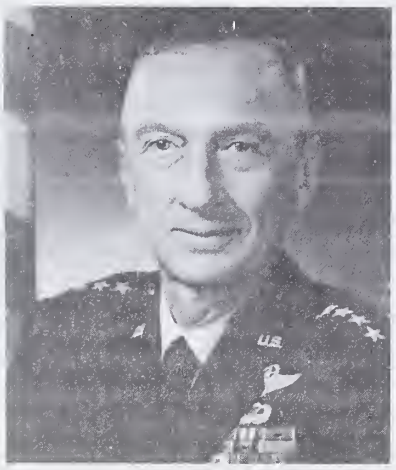
Strategic Air Command Observes 25th Year



Gen. Bruce K. Holloway
SAC, Commander-in-Chief

March 21, 1971, marks the Silver Anniversary of the Strategic Air Command—the most powerful striking force in the world's history. The occasion will be celebrated as a tribute to, as SAC officials put it, "the prophets who envisioned it, the leaders who fashioned it, and the men who have maintained it."

SAC's primary mission is, and has been, one of preserving peace. The Command's motto, "Peace Is Our Profession," is symbolic of SAC's deterrent role.

The future security and freedom of the United States is secured by SAC—a force so powerful that potential aggressors cannot possibly entertain thoughts of world domination. SAC's readiness and firepower—a mixed force of bombers and missiles that comprise over 70 per cent of the Free World's nuclear firepower—together with the determination of the American people to use SAC's capabilities if necessary, will continue to be the best deterrent to general war in the next 25 years of the nuclear age.

HEW Establishes Office For Health Careers

Dr. Roger O. Egeberg, Assistant Secretary for Health, and Scientific Affairs, Department of Health, Education, and Welfare, has announced the establishment of a national program administrative office for Operation MEDIHC (Military Experience Directed Into Health Careers).

"This is the first in a series of steps which will be taken to expand significantly the MEDIHC program nationwide, as was announced by President Nixon in his February 18, 1971, message to the Congress," Dr. Egeberg said.

The program administrative office has been established in the Division of Allied Health Manpower, Bureau of Health Manpower Education, a component of the National Institutes of Health.

Experience

Operation MEDIHC is a counseling and recruitment program for Vietnam and other returning veterans who have health occupations skills, training, and experience. Through MEDIHC, military personnel with an interest in health careers may locate civilian employment and training opportunities in the health field prior to being separated from the Armed Forces.

Dr. Egeberg said, "Less than a year ago we initiated Operation MEDIHC in cooperation with the Department of Defense. Today, about 6,500 ex-military corpsmen have received assistance from MEDIHC Coordinators in 47 States, the District of Columbia, Puerto Rico and the Virgin Islands. They have been advised about health occupations, training programs and employment opportunities throughout the country. They are enrolled in junior colleges, colleges and universities where they are preparing for health careers. They are employed in hospitals, physicians' offices, State and local health departments and other health facilities. These veterans are contributing valuable talents toward meeting the Nation's need for more health manpower."

Commenting on the location of the national coordinating office he said, "The Bureau of Health Manpower Education is the focal point in the Department of Health, Education, and Welfare for health manpower education and training activities.

"By locating the administrative office for Operation MEDIHC in the Bureau's Division of Allied Health Manpower, we are bringing the on-going operation of the program into direct contact with the most rapidly growing segment of all health manpower. The wide range of existing and developing occupations in the allied health field provides important opportunities for interested and qualified veterans."

Continues Role

Dr. John S. Zapp, Deputy Assistant Secretary for Health Manpower, will continue his role as HEW coordinator of the MEDIHC program.

Dr. Zapp has named Miss Alice B. Frazer, a U.S. Public Health Service Officer, as MEDIHC Program Coordinator. Prior to the appointment, Miss Frazer implemented the initial phase of Operation MEDIHC. Inquiries concerning MEDIHC should be directed to: Miss Frazer, Division of Allied Health Manpower, Bureau of Health Manpower Education, National Institutes of Health, 9000 Rockville Pike, Bethesda, Md. 20014.

COMMANDERS DIGEST

THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

Editor John R. German

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